

# Compliance Assessment Sampling Plan – Quantity

CAT KIT Exhibit 4

Attribute, Test, Errors, & Criteria for Testing	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
<p><b>Attribute:</b> Were quantities of imported articles accurately declared to Customs in accordance with CD 099 3550 061 (Instructions for Preparation of CF 7501), 19 CFR Part 141 Subpart D, and 19 U.S.C. 1484 (f)?</p> <p><b>Test (Primary Audit Steps):</b></p> <ol style="list-style-type: none"> <li>Reconcile importer's declared quantities of merchandise to receiving reports, inventory/payment records, or other related records.</li> <li>Determine if the company's internal control policies and procedures for quantity were <ul style="list-style-type: none"> <li>Documented, and</li> <li>Produced accurate entered quantities.</li> </ul> </li> </ol> <p><b>Errors:</b></p> <ul style="list-style-type: none"> <li>Quantity of merchandise entered was not accurately reported to Customs on the Entry Summary (7501) or the Commercial Invoice (any variance)</li> <li>The importer is unable to provide adequate support or information for verifying the quantity of merchandise entered</li> </ul> <p><b>Criteria for Testing (Statistical Sample or 100% Review):</b> This is a common check trade area that must be performed for every compliance assessment.</p>	<p><b>Approach:</b> attribute estimation sampling using the average error rate (point estimate) for evaluating compliance</p> <p><b>Confidence Level:</b> 95%</p> <p><b>Sampling Error (Precision):</b> ±5% (10% range)</p> <p><b>Anticipated Error Rate:</b> 5%</p>	<p>Actual quantities of merchandise entered during the importer's last completed fiscal year</p>	<p><b>Customs' Records:</b> Entries ACS Line Items</p> <p><b>Importer's Records:</b> Payments Payables Invoices Receiving Data Inventory of Articles Purchase Orders Shipping Log Acctg. Transactions Etc.</p> <p><b>Sampling Frame:</b> _____</p> <p><b>Validated Sample:</b>   <input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p><b>Frame Size:</b> _____</p> <p><b>Sample Size:</b> _____</p>	<p><b>LOL Compliance Rate:</b> _____ %</p> <p><b>Systemic/Non-Systemic or Recurring Errors?</b></p> <ul style="list-style-type: none"> <li>If systemic, recommend importer correct cause of error(s).</li> <li>If recurring, project the effect and recommend collection of unpaid duties and fees.</li> <li>If non-recurring, recommend collection of duties and fees on identified errors, if applicable.</li> </ul> <p><b>LOL Error Rate ≤ 5%</b></p> <ul style="list-style-type: none"> <li>If internal controls were documented, compliance is at an acceptable level for quantity.</li> <li>If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP.</li> </ul> <p><b>LOL Error Rate &gt; 5%</b></p> <p><b>Apply materiality criteria.</b> (CAT Kit Exhibit 32)</p> <p><b>Materiality Compliance Rate:</b> _____ %</p> <p><b>Materiality Compliance Rate is acceptable</b></p> <ul style="list-style-type: none"> <li>If internal controls were documented, compliance is at an acceptable level for quantity.</li> <li>If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP.</li> </ul> <p><b>Materiality Compliance Rate is unacceptable</b></p> <ul style="list-style-type: none"> <li>If materiality error rate is not acceptable, importer compliance for quantity is not acceptable. Coordinate with the Account Manager to help company develop a CIP.</li> </ul> <p><b>Prepare results sheet and refer to the Enforcement Evaluation Team (EET) if findings meet the EET impact level for referral.</b></p>